

CENTRAL INTELLIGENCE AGENCY
INFORMATION REPORT

REPORT

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SUBJECT Functions of the Shanghai Customs Service

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1. Ships entering Shanghai may enter the Woosung mouth of the Yangtze after obtaining a permit from the Navigation Bureau. There officers of the Harbor Quarantine Station inspect all papers showing health and inoculation records. Then the Woosung Customs House staff inspect the ship's papers and see that it has a proper entry permit before it is allowed to proceed into the harbor. Officers from Woosung Customs remain on the vessel until it docks at Shanghai and then turn it over to officers of the Shanghai Customs Office*.
2. After the ship is at the dock, the ship's agent in Shanghai clears it with the Customs officials, at the same time as Customs inspection officers check all passengers aboard. These checks are made by two units, each comprising 10 to 20 men, and require from 6 to 20 hours. Women inspectors are present to examine women passengers. The ship's crew is checked by both Customs inspectors and police from the Foreign Affairs Section of the Shanghai Public Security Bureau. Inspectors and guards are on duty during the entire time the cargo is being unloaded.
3. Ships departing from Shanghai are also subject to the same Customs checks and inspections during their loading period. Six to 10 hours before departure, Customs inspectors check the vessel and the police check the identification papers of the crew and see that the entire crew is on board. After everything has been cleared, several Customs personnel remain on the vessel until she arrives at Woosung Station, where they are taken off by motorboat. After this, the vessel is free to leave the harbor.

4. Shanghai Customs inspectors discovered 1,500 silver dollars in the chest of a crew member of SS CHIANG AN (江安) of the China Merchants Steam Navigation Company, which was sailing for Hankow. The silver was to be smuggled to Chuchiang by crew member CHANG Te-ming (張德明), who defended his illegal action by saying that the cost of living was so high he had to smuggle to support his family. He explained that silver dollars were only JMP 5,000 in Shanghai and were JMP 12,000 in Chuchiang, where the people had no confidence in JMP and preferred metal. The smuggler was arrested by Customs officials.

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CLASSIFICATION

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5. Clearance of land passengers arriving by train is conducted at the railway station baggage sheds. [] personnel of the Public Security office of Shanghai arrested a woman in the baggage room of the Shanghai North Railway Station for possession of narcotics. The customs officers in the baggage room [] been tipped off in advance to look for heroin in the woman's baggage when she came to claim it. They discovered heroin valued at JMP 300,000,000**. The woman, when questioned, claimed that she had acquired the heroin in Hong Kong from a Communist government office, and stated that opium and morphine were sent from North China to Hong Kong by the Communist government. Her claims made the case too difficult for Customs to handle, and it was therefore turned over to the Public Security Office. 25X1
6. A similar case occurred [], CHU Kuang-lung (朱光宗) was arrested by Customs service in Shanghai for selling opium. CHU stated that [] he had gone to Tientsin and negotiated with a government office for the purchase of opium. He had been informed by the office that the government disclaimed all responsibility for opium purchased by private citizens after it had been loaded on a vessel for some port outside of China. CHU inquired at the time of his arrest whether, if a shipment of opium could not be discharged outside China because of unforeseen circumstances, the government would protect the shipment on its return to the port of origin. The attitude of the Customs Service was that such shipments would be dealt with as smuggling of narcotics into China. Because of strict government regulation of opium sales, many narcotics dealers have had difficulty in getting their commodity from Tientsin to Shanghai and a number of merchants have been arrested by Shanghai Customs authorities. CHU was fined JMP 50,000,000 for smuggling narcotics. 25X1 25X1 25X1
7. [] the Shanghai Customs Office assigned forty employees to work in Canton and told them they might take their families along. After selling all their furniture and houses in Shanghai, the officials arrived in Canton only to be told they could not bring their families because of the evacuation of residents from the city. The families were ordered back to Shanghai on the following day and the officials had to remain to work in Canton. 25X1
8. The Shanghai Customs Service aided in the shipment of documents of the Canton Customs Service to north China. When South China residents and government offices were evacuated [] important documents were shipped to north China from Canton, Amoy, Swatow, and Fukien. Two boxes of customs documents [] under the direction of T'IEH Kuei-hsin (田桂馨) of the Customs Service there, were shipped to Shanghai and other documents were being prepared for shipment, all to be completed [] From Shanghai the documents were forwarded on north. 25X1 25X1 25X1

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[] Comment. The rate for JMP [] was approximately JMP 24,000 to one U.S. dollar.

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